Decision removing Mr. Stiepo Andrijic from his position of President of the Management Board of the Federation Privatization Agency

In the exercise of the powers vested in the High Representative by Article 5 of the Annex 10 of the General Framework Agreement for Peace in Bosnia and Herzegovina, according to which the High Representative "*is the final authority in the theater regarding interpretation of [the] Agreement on the civilian implementation of the peace agreement*";

Endorsing the interpretation of these powers given in paragraph XI, 2 of the Conclusions of the Peace Implementation Conference held in Bonn on 10 December 1997, in particular, sub-paragraph c thereof, by means of which the High Representative is entitled to take actions against persons holding public positions who are found by the High Representative to be in violation of legal commitments made under the Peace Agreement or the terms of its implementation;

Noting the reiteration of the acknowledgement of such powers by the Peace Implementation Council in Chapter X of the Annex to the Madrid Declaration of 16 December 1998;

We hereby issue the following

Decision

To remove Mr. Stiepo Andrijic from his position of President of the Management Board of the Federation Privatization

Agency.

This Decision has immediate effect.

Reasons for removal

Mr. Stiepo Andrijic has persistently and seriously obstructed in numerous cases the process of privatization in the Federation of BiH in his capacity as the President of the Management Board of the Federation Privatization Agency.

In particular, Mr. Stiepo Andrijic is responsible for:

- Delaying the adoption of international-standard tender regulations urgently required for the implementation of transparent tenders. The non-adoption of the regulations led to unsatisfactory tender results and an obvious lack of transparency.
- Insisting, against the advice of domestic and international privatization experts, on the adoption of an arbitrary and unnecessary deadline of 29 February 2000 for the publication of all tenders. This date led to enterprises being tendered without any acceptable degree of preparation and under the existing flawed regulations.

These two points subsequently resulted in the necessity for the Government of the Federation of Bosnia and Herzegovina to announce suspension of the tender process.

- Disregarding the strong advice of the Office of the High Representative to implement the recommendations of the Privatization Monitoring Commission. Compliance with those recommendations would have led, inter alia, to large hotels being sold under large-scale privatization regulations and to more satisfactory results.
- Preventing implementation of the Federation Government’s agreements with the International Community. Such agreements include that majority undertaking in

specified strategic enterprises be offered to strategic investors. Mr. Andrijic’s announcement of 10 May 2000 contravened this agreement.

Sarajevo, 22 May 2000

Wolfgang Petritsch
High Representative

Office of the High Representative